



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-868]

Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Preliminary Affirmative Determination and Alignment of Final Determination with Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (“Department”) preliminarily determines that countervailable subsidies are being provided to producers and exporters of welded stainless pressure pipe (“welded stainless pipe”) from India. The period of investigation is January 1, 2014, through December 31, 2014. We invite interested parties to comment on this preliminary determination.

DATES: Effective Date: **(INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*)**.

FOR FURTHER INFORMATION CONTACT: Andrew Medley at (202) 482-4987, or Amanda Mallott at (202) 482-6430, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter, from India. For a complete description of the scope of this investigation, *see* Appendix II.

Methodology

The Department is conducting this countervailing duty (“CVD”) investigation in accordance with section 701 of the Tariff Act of 1930, as amended (“the Act”). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.¹ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.² The Preliminary Decision Memorandum is a public document and is on file in the Central Records Unit (“CRU”), Room B8024 of the main Department of Commerce building, as well as electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the CRU. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed

¹ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

² *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Decision Memorandum for the Preliminary Determination” (“Preliminary Decision Memorandum”), dated concurrently with, and hereby adopted by, this notice.

Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

New Subsidy Allegations

On January 20, 2016, Bristol Metals, LLC, Felker Brothers Corp, Outokumpu Stainless Pipe, Inc., and Marcegaglia USA (collectively, “Petitioners”) submitted a request that the Department expand its investigation to include 16 additional subsidy programs.³ Based upon the information contained in Petitioner’s New Subsidy Allegations and the Petition,⁴ the Department is initiating an investigation of 15 additional subsidy programs concurrently with this preliminary determination.⁵ For these 15 programs, we have determined that Petitioners alleged the necessary elements of a subsidy, *i.e.*, financial contribution, benefit, and specificity in accordance with sections 771(5)(B) and 771(5A) of the Act. We also find that these allegations are supported by reasonably available information sufficient to warrant an investigation of these subsidy programs, in accordance with section 702(b)(1) of the Act. We intend to examine these programs after the preliminary determination.

Preliminary Determination and Suspension of Liquidation⁶

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each producer/exporter of the subject merchandise individually investigated. In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not individually examined, we apply

³ See Letter from Petitioners, “Welded Stainless Pressure Pipe from India: New Subsidy Allegations” (“New Subsidy Allegations”) dated January 20, 2016.

⁴ See “Petition for the Imposition of Antidumping and Countervailing Duties: Welded Stainless Pressure Pipe from India,” dated September 30, 2015 (“Petition”).

⁵ See Memorandum to Brendan Quinn, Acting Director, Office III, “Certain Welded Stainless Steel Pressure Pipe from India: New Subsidy Allegations Initiation Memorandum,” dated concurrently with, and hereby adopted by, this notice.

⁶ As explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government. See Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016. All deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the preliminary determination of this administrative review is now March 4, 2016.

an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies as respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(A)(i) of the Act, the all-others rate should exclude zero and *de minimis* rates or any rates based entirely on facts otherwise available pursuant to section 776 of the Act. Accordingly, in these preliminary results, we have calculated the “all-others” rate by weight-averaging the calculated subsidy rates of the two individually investigated respondents, using the respondent’s publicly-ranged sales data for exports of subject merchandise to the United States.⁷

We preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate
Steamline Industries Limited	2.96 percent
Sunrise Stainless Private Limited, Sun Mark Stainless Pvt. Ltd., and Shah Foils Ltd. (collectively, “Sunrise Group”)	6.21 percent
All-Others	4.55 percent

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of welded stainless pipe from India that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted in response to the Department’s questionnaires prior to making our final determination.

⁷ See Memorandum to the File, “Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Preliminary Determination Margin Calculation for All-Others,” dated concurrently with this memorandum.

Alignment

On February 9, 2016, in accordance with section 705(a)(1) of the Act, Petitioners requested an alignment of the final CVD determination with the final antidumping duty (“AD”) determination of welded stainless pipe from India.⁸ Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination in this investigation with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than July 18, 2016, unless postponed.

Disclosure and Public Comment

The Department intends to disclose calculations performed for this preliminary determination to the parties within five days of the date of public announcement of this determination in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁹ A table of contents, list of authorities used, and an executive summary of issues should accompany any briefs submitted to the Department, pursuant to 19 CFR 351.309(c)(2) and (d)(2). This summary should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request

⁸ See Letter from Petitioners, “Welded Stainless Pressure Pipe from India: Request for Alignment,” dated February 9, 2016.

⁹ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

must be received successfully, and in its entirety, by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time, and specific location to be determined. Parties will be notified of the date, time, and location of any hearing. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

International Trade Commission Notification

In accordance with section 703(f) of the Act, we will notify the International Trade Commission ("ITC") of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: March 4, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Alignment
- VI. Injury Test
- VII. Subsidies Valuation
- VIII. Analysis of Programs
- IX. Calculation of the All-Others Rate
- X. ITC Notification
- XI. Disclosure and Public Comment
- XII. Verification
- XIII. Conclusion

Appendix II

Scope of the Investigation

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. References to size are in nominal inches and include all products within tolerances allowed by pipe specifications. This merchandise includes, but is not limited to, the American Society for Testing and Materials ("ASTM") A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.

Excluded from the scope of the investigation are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States ("HTSUS"). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

[FR Doc. 2016-05575 Filed: 3/10/2016 8:45 am; Publication Date: 3/11/2016]